IN THE SPECIFICATION:

Please delete the paragraph beginning with "The transmitter begins in a high powered," on page 4, line 21, and replace with the following:

The transmitter begins in a high powered, high clock rate mode. High means greater than low. This is illustrated as operation 310 in Figure 3. As shown in operation 320, the transmitter then invokes the protocol state machine 110 to transmit packets 130 periodically. Starting with raw data, the transmit protocol state machine 110 performs tasks to create packets 130 for transmission, such as dividing the raw data into packets 130, adding protocol headers, and computing checksums. The transmit protocol state machine 110 sends these packets 130, as shown in operation 330, and waits for acknowledgments from the receiver protocol state machine 120. While waiting, the transmitter protocol state machine 110 switches into a low power, low clock rate mode, as illustrated in operation 340. While waiting, the transmitter protocol state machine 110 does not wake up to handle every incoming acknowledgment. Instead, it wakes up only when a timer sounds or when an incoming packet buffer reaches a low water mark, as shown in operation 350. The transmitter then prepares for the sending of additional packets 130.

Please delete the paragraph beginning with "The receiver protocol machine 120, in contrast," on page 5, line 9, and replace with the following:

The receiver protocol state machine 120, in contrast, starts in a low power, low clock rate mode, as shown in operation 410 of Figure 4. When packets 130 are received from the data communication network 140, they are simply buffered, as illustrated in operation 420. Operation 430 examines whether a buffer has reached a maximum capacity or a high water mark. If such a



threshold has not been reached, the receiver protocol state machine 120 returns to operation 410. When the buffer is full or reaches a high water mark, the receiver protocol state machine 120 is invoked, as illustrated in operation 450, after switching to a higher powered, higher clock rate mode, as shown in operation 440. In this scenario, the frequency and power level of the processor is driven by the received or transmitted data. The packets 130 are processed by the receiver protocol state machine 120, and acknowledgments are sent to the transmitter protocol state machine 110, if required by the state machine. When the processing of packets 130 is complete, the receiver protocol state machine 120 returns to an idle state, as depicted in operation 410. The use of buffers and timers in both the transmitter protocol state machine 110 and the receiver protocol state machine 120 results in periodic patterns in data reception and transmission. The periodicity may then be used to manage the power and frequency settings of the host processor.

Please delete the paragraph beginning with "While the above description refers to" on page 7, line 19, and replace with the following:

While the above description refers to particular embodiments of the present invention, it will be understood to those of ordinary skill in the art that modifications may be made without departing from the spirit thereof. The accompanying claims are intended to cover any such modifications as would fall within the true scope and spirit of the embodiments of the present invention.

Please delete the paragraph beginning with "The presently disclosed embodiments" on page 7, line 23, and replace with the following: